

5 October 1953

MEMORANDUM FOR: Director of Central Intelligence

FROM: Deputy Director/Intelligence

SUBJECT: Proposed Statement to the IAC Re the Watch Committee

1. Transmitted herewith is a draft of a statement which it is proposed you make to the IAC on 6 October 1953 concerning the Watch Committee.

2. Appended to the proposed statement are three interim studies concerning the operation of the Committee, its responsibilities and recommendations for improvement which may be useful as background material should you desire to delve into the subject further.

ROBERT AMORY, Jr.

Attachments

1. Proposed Statement to the IAC Re Watch Committee
 - Tab A: Extract of Pertinent Facts and Conclusions from Supporting Studies
 - Tab B: OGI Comments (Concurred in by DE/I) Concerning Operation of the Watch Committee
2. Appendix - 3 studies

Proposed Statement to the IAC re the Watch Committee

CIA asked for a week's delay in discussing the proposed changes in the operations of the Watch Committee so that we could examine the problem more thoroughly. Let me say that there is no doubt in my mind that the Watch Committee has made headway toward insuring us against another Pearl Harbor.

However, when it was established there was a war in Korea and the obvious concern was, therefore, the expansion of military hostilities to other areas of US interest. Many changes in the international situation have occurred since that time. We recognized those changes in NIE-95 when we concluded that the probabilities of economic and political aggression, at least for the next few years, overshadow the possibility of military aggression. NIE-99 (now in preparation) reaffirms and broadens these conclusions. These changes were also acknowledged in our revision of both the scope and the order of priority of the critical National Intelligence Objectives. This evolution makes it desirable to have a look at the Watch problem to be sure that we have the best possible protection under these new conditions. G-2's proposal is timely in bringing this matter up for discussion but in my opinion it does not go far enough.

I believe that the best way to get a thorough survey of our Watch operation is to appoint a special committee of senior representatives to study the problem. I will give that sub-committee a paper presenting my views on a more fundamental revision of the Watch function.

NIE-95: Probable Soviet Bloc Courses of Action Through Mid-1955.

NIE-99: Approved For Release 2005/02/28 : CIA-RDP94T00754R000100060001-4
(in preparation) The World Situation Through 1955.

TAB
A

TAB A

Extracts of pertinent facts and conclusions from attached studies concerning: DCI's Watch Responsibilities; present fulfillment thereof; and recommendations for improvements.

1. DCI has ultimate responsibility in the intelligence community for seeing that "there is a properly constituted and operating Watch organization in the Government". (Gen. Smith's remark to IAC on 7 Dec '50)
2. The eight current National Intelligence Objectives cover broad fields of intelligence including indications of capability and intent of hostile action against national security and critical US aims or objectives.
3. The presently constituted Watch Committee operates on a militarily oriented mission to determine capabilities and intentions of hostile action.
4. The G-2 proposal, useful though it may in improving present operations, would not in itself result in a material change in either concept or operation of the present facility.
5. Other than CIA, no single agency, department, or the Military Establishment of the Government has the individual competence to discharge the scope of the warning responsibility.
6. A reconstituted and reoriented Watch Committee, including an executive body, is advisable.

TAB
B

TAB B

Comments Regarding the Present Operation of the Watch Committee.

1. Charter unchanged since inception.
2. National Intelligence Plan for provision desired advance warning does not exist.
3. Present approach integrates military aspects of intelligence on broad basis rather than consider indications to commit or sponsor acts inimical to US security or critical aims.
4. Agenda pays no attention to agreed IAC indications.
5. Little attention paid to cumulative indications intelligence.
6. Meetings like reporting sessions rather than conclusive discussions of selected indications.
7. Separate secretariat exists for special intelligence.
8. Requirements neither systematically levied nor adequately followed-up.
9. Present membership too large and far removed from raw data for adequate discussion precluding free exchange sensitive information.
10. Committee not privy to even generalized operational data.
11. Committee members, though supported, do not have individual Indications Staffs for back-up.

#1

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Study #1

2 October 1953

PROBLEM: To determine DCI's Responsibilities for providing Advance Warning of foreign conducted or sponsored acts or activities inimical to US National interests.

PERTINENT FACTS:

AUTHORITY

1. The DCI is charged by law with "correlating and evaluating intelligence relating to the National Security, and providing for the appropriate dissemination of such intelligence within the Government.... Provided that the departments and other agencies...shall continue to collect, evaluate, correlate and disseminate departmental intelligence."

Para d (3)
Sect. 102
Natnl Security
Act 1947

2. The DCI is directed to "produce and disseminate, intelligence relating to National Security" (National Intelligence) i.e....integrated departmental intelligence that covers the broad aspects of National policy and security, is of concern to more than one Department or agency, and transcends the exclusive competence of a single Department, or agency, or the Military establishment."

Para 4
NSCID #1;
Para 1 (e) 1
NSCID #3

3. An Intelligence Advisory Committee, "consisting of the DCI, who shall be chairman thereof, D/FBI, the respective intelligence chiefs from the Departments of State, Army, Navy and Air and from the Joint Staff and the AEC...is established to advise the DCI." The organizations represented thereon have been directed to "maintain with CIA and each other, as appropriate to their respective responsibilities, a continuing interchange of the intelligence information and intelligence available to them."

Para 1
NSCID #1

Para 9
NSCID #1

DISCUSSION:

4. "Whenever any member of the Intelligence Advisory Committee obtains information that indicates an impending crisis situation, such as the outbreak of hostilities involving the United States, or a condition which affects the security of the United States to such an extent that immediate action or decision on the part of the President or the National Security Council seems to be required, he shall immediately furnish the information to the other members of the Intelligence Advisory Committee as well as to other officials or agencies as may be indicated by the circumstances. The Director of Central Intelligence shall immediately convene the Intelligence Advisory Committee. After receiving the views of the Intelligence Advisory Committee members, the Director of Central Intelligence shall..."

Para 6
NSCID #1

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prepare and disseminate the national intelligence estimate...."

5. "Departmental agencies will upon request furnish such advice and assistance to the CIA in the preparation of CIA current intelligence reports as is feasible. Departmental intelligence concurrence or dissent is not required, but copies of all such reports will be furnished departmental intelligence agencies as quickly as possible. Such reports, or estimates will indicate that they have not been coordinated with the departmental agencies."

Para 1
DCID #3/1

6. The DCI is charged... "with preparing a comprehensive outline of National Intelligence Objectives... as a guide for the coordinated collection and production of National Intelligence" and to establish priorities therein.

Paras 1 & 2
NSCID #4

7. "For the purposes of intelligence production, the following division of interests, subject to refinement through a continuous program of coordination by the DCI, shall serve as a general delineation of dominant interests":

Para 3
NSCID #3

- a. Political, Cultural, Sociological intelligence.....State
- b. Military Army
- c. Naval Intelligence Navy
- d. Air Intelligence Air
- e. Scientific and Technological intelligence.....Each agency in accord with its individual needs, subject to joint committee agreement
- f. Economic Intelligence.....Each agency according to its needs; Sov Bloc by CIA/RR as service of common concern

DCID #4/3

NSCID # 3 & 15

8. "By virtue of their relevance to the National Security and to the formulation of National policies..." National Intelligence Objectives generally applicable to all foreign areas shall be the determination of: The intentions, current activities and probable future activities of the government, or governments, in the area with regard to domestic affairs, including basic human freedoms, governmental controls, and domestic propaganda...."

Para 1
DCID #4/2

9. In order of priority the following are established as "critical National Intelligence Objectives with respect to the USSR and its Satellites (incl. Communist China)." (Therefore) "the highest priority shall be given to the collection of information and

DCID #4/2

to the production of intelligence concerning Soviet and Satellite capabilities and intentions for:

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10. It has been agreed by the IAC that early recognition of capabilities and intentions for initiation of actions which might result in the development of Critical Situations (as defined in NSCID 1) is essential. In view of: the substantive scope of the Critical National intelligence objectives; the mission of the DCI to produce integrated national intelligence; and the inability of any single department or agency within its individually assigned responsibility to provide the requisite advance warning of the development of critical situations...it appears that the DCI is solely responsible to the NSC for the production of such intelligence.... Some precedent for this view may be found in the remarks of the DCI to the IAC on 7 December 1950 in which he irrefutably stated that..."his was the responsibility to see there is an arrangement in the government to carry out the functions of a Watch Committee."

IAC minutes
19 Aug 1949

item 7
M-10 IAC

CONCLUSIONS:

11. The DCI has sole responsibility for providing advance warning of the development of "critical situations". Subsequent to the recognition of such situations it becomes the responsibility of the DCI to provide the required coordinated intelligence estimates to the NSC utilising the IAC machinery insofar as practicable.

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12. Other than CIA, no single agency, or department, or the Military Establishment of the Government has the individual potential to discharge the scope of the Director's responsibility.

13. Inasmuch as the intelligence information or intelligence required to fulfill these responsibilities is of a current nature, the AD for CI appears to be substantively responsible to the DCI (or his deputy) for this function. In discharging duties incident to the "Watch" functions the DCI may produce and disseminate collated, evaluated, and analyzed intelligence without formal concurrence or dissent of IAC members.

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#2

2 October 1953

Study #2

PROBLEM: To determine to what extent and in what manner the DCI's responsibilities for the provision of advance warning are currently being fulfilled.

PERTINENT FACTORS:**AUTHORITY**

1. The DCI has sole responsibility for providing advance warning of the Development of Critical Situations.* (Study #1)

2. On 7 December 1950 the IAC agreed that there should be a single "Watch Committee" in the Government to assist the DCI in discharging this responsibility properly operated with the full participation of the IAC members. Item #1
M-10 IAC

3. It was decided that the terms of Reference of an Army Operated panel, functioning under JCS directive as a Joint Intelligence Indications Committee (JIIC), would be used as the basis for delineating the responsibilities of the IAC Watch Committee. Item 7
M-10 IAC

4. It was further decided that the "Army" panel should be considered the IAC Watch Committee and continue its present operations for the IAC under the chairmanship of the Chief, Intelligence Division, G-2, Department of the Army. Para 3b5
D-6/1

5. Ratification of the JIIC's terms of reference was accomplished on 28 December 1950 resulting in the mission of the IAC Watch Committee being defined as: "to collect, evaluate, analyze and report indications of Soviet-Communist Intentions of hostile action." Though charged with revising JIIC's terms of reference as necessary to provide the US government with the service required, little was done beyond regularizing CIA and State participation and authorizing the attendance of FBI and AEC representatives. Item 5
M-12 IAC
Para 3b2
D-6/1
IAC

DISCUSSION:

6. During its entire history, from inception in May of 1949 (as an Intelligence Indications file committee) through its conversion and evolution into JIIC and IAC Watch Committee, the Army's approach to the indications problem has been to integrate the military aspects of

* The outbreak of hostilities involving the US, or a condition which affects the security of the US to such an extent that immediate action or decision on the part of the President or the NSC seems to be required. (Para 6 NECID #1)

intelligence concerning the Communist Bloc on a broad basis -- rather than consider indications of any Nation's intentions to commit or sponsor acts inimical to US interests.

7. Since the charter of the JIIC was not changed substantively during its rebirth as the Terms of Reference for the IAC Watch Committee, the DCI is assisted in discharging only so much of his advance warning responsibilities as fall within the four (of eight) critical National Intelligence Objectives, leaving the remainder (of his responsibilities) undelegated and unassumed by any IAC member or committee.

Para 1
DCID #4/2

8. As presently conducted IAC Watch Committee meetings are in the nature of reporting sessions rather than conclusive discussions of selected indications (even within the narrow confines of "hostile action"). The secretariat proposes agendas ostensibly from submissions of members and additionally as appear warranted from the secretariate's scanning of cable traffic. In practice, the agenda is made up unilaterally by the secretariat without any real assistance from other sources. A separate secretariat exists for Special Intelligence with obvious disadvantages. Too little effort is made by the secretariat to select for the committee those items for which significant conclusions should be reached. Moreover in preparing the agenda, conducting the proceedings and drafting the minutes, the agreed IAC check-list has been almost completely ignored.

9. The Committee appears too closely bound to indications which have appeared since its last meeting -- and at present has at hand no adequate file, or index, of data collected and maintained over a period of years in accordance with the agreed IAC indicators and thus consistently neglects indications of economic, subversive, technological and scientific intentions which, according to NIE 99 should now be minutely examined. Perhaps because of its physical location and the fact that Army personnel dominate, chair and support the meetings, military indicators, usually of a short term nature, receive primary emphasis.

10. Except in the case of special intelligence, where under NSCID #9 a jointly produced master requirements list has resulted in the intelligent and efficient allocation of capability and effort, the logical development of a National Intelligence Plan for the provision of advance warning of Crisis Situations has not progressed beyond an IAC agreement as to what are

the indications of hostile military intentions. This condition spawns a situation wherein both gaps of coverage and duplication of effort collectively characterize the IAC's collection activities.

11. In its effort to avoid the estimating function, which is recognized to lie elsewhere, the Committee appears to consider its function to be that of reporting evaluated information and displays great reticence in expressing significant conclusions derived therefrom.

12. Requirements are neither systematically levied nor adequately followed up, to satisfy the informational gaps developed in committee discussions. The present membership is so large and so far removed from detailed familiarity with the material at hand that it precludes adequate, thorough discussion and seriously limits the free exchange of sensitive information.

13. The absence of at least generalized operational data limits the analytical capabilities of the Committee, as it would any group charged with responsibilities involving judgments of actions which may well be the result of reactions to friendly operations -- whatever their nature or origin.

14. Although members of the Watch Committee are supported by their respective offices, this support does not in all cases include a staff operating on all-source basis and maintaining constant surveillance and review of IAC indications within fields of primary competence as defined by NSCID #3. At times the meetings take on the appearance of a forum in which special intelligence and collateral views are debated in order to reconcile major differences -- with the significance which might be attached thereto being brushed off or neglected entirely.

15. The present Top Secret Watch Committee Report is an incomplete record of the committee's conclusions because it does not include evidence based on Special Intelligence. The Supplement based upon such intelligence is prepared by a separate staff in G-2 and is issued independently. Since the basic purpose of the Watch Committee even as presently constituted, is to provide advance warning of Soviet-bloc hostile actions for top levels of the Government, it should do this first with other considerations being secondary.

16. On 16 September 1953, the Chairman of the Watch Committee circulated to the committee at large a proposal (attached hereto) concerning the establishment of a Watch Committee Indications Center, including a reinforced Secretariat. The purpose of such a center was represented as being to perform the function of continuously integrating and tentatively evaluating and analyzing all the indications collected by the US intelligence agencies from all sources of Soviet Communist preparations for war. If implemented in its entirety -- as proposed -- the creation of such a facility would not materially change the current operation of the committee and would still leave unassumed the DCI's responsibilities to provide advanced warning of Soviet and Satellite capabilities and intentions for:

CONCLUSIONS:

17. The IAC Watch Committee as presently constituted and operated does not fully discharge the DCI's responsibility to provide advanced warning of the development of crisis situations, i.e., the imminence of hostilities or conditions affecting the security of the United States.

18. In the field of advance warning of hostile intent, the Committee is dominated by military personnel and military concepts. Economic indications and political situations subject to Communist exploitation are usually brushed over lightly and often are completely ignored.

19. If adopted, the 16 September 1953 proposal of G-2 (to create an Indications Center, with Augmented Secretariat) would alleviate some of the shortcomings of the present committee and its terms of reference, but its approach is symptomatic, in effect ignoring basic ills and gives no recognition of fundamental responsibilities and associated problems.

20. The entire structure of the mechanism whereby the DCI is assisted in fulfilling his Watch responsibilities should be reviewed and re-constituted.

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Study # 3

2 October 1953

PROBLEM: To recommend a practical means of fulfilling the DCI's Watch responsibilities through the IAC.

PERTINENT FACTORS:

AUTHORITY

1. The DCI, as intelligence Advisor to the President and the NSC, bears ultimate responsibility for providing adequate advance warning of an impending Crisis Situation such as the outbreak of hostilities involving the US or a condition which affects the Security of the US to such an extent that immediate action or decision on the part of the President or the NSC seems to be required.

Conclusion #1
Staff Study #1

2. "To maintain the relationship essential to coordination between the Central Intelligence Agency and the intelligence organizations, an Intelligence Advisory Committee consisting of the Director of Central Intelligence, who shall be chairman thereof, the Director, Federal Bureau of Investigation, and the respective intelligence chiefs from the Departments of State, Army, Navy, and Air Force, and from the Joint Staff (JCS), and the Atomic Energy Commission, or their representatives, shall be established to advise the Director of Central Intelligence. The Director of Central Intelligence will invite the chief, or his representative, or any other intelligence Agency having functions related to the national security to sit with the Intelligence Advisory Committee whenever matters within the purview of his Agency are to be discussed."

Paragraph #1
NSCID #1

3. "The intelligence organizations in each of the Departments and Agencies shall maintain with the Central Intelligence Agency and with each other, as appropriate to their respective responsibilities, a continuing interchange of intelligence information and intelligence available to them."

Paragraph #9
NSCID #1

4. "The intelligence files in each intelligence organization, including the CIA, shall be made available under security regulations of the Department or Agency concerned to the others for consultation."

Paragraph #10
NSCID #1

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5. The intelligence organizations within the limits of their capabilities shall provide, or procure, such intelligence as may be requested by the Director of Central Intelligence or by one of the other Departments or Agencies." Paragraph 11
NSCIB #1

6. The Director of Central Intelligence shall make arrangements with the respective Departments and Agencies to assign to the Central Intelligence Agency such experienced and qualified officers and members as may be of advantage for advisory, operational, or other purposes, in addition to such personnel as the Director of Central Intelligence may directly employ. In each case, such departmental personnel will be subject to the necessary personnel procedures of each Department. Paragraph 12
NSCIB #1

7. Terms of Reference for IAC Watch Committee (Top Secret) D-6/1
IAC

DISCUSSION:

8. Assuming the existence of a well-developed National Intelligence Plan and adequate collection facilities, the basic machinery required to meet the DCI's responsibility must provide:

a. A device for screening and evaluating the whole intake of all intelligence information and intelligence for those items which are authentic indicators of the development of crisis situations.

b. Staff level personnel in each intelligence Agency who have as their principal responsibility the analysis, review and study of indications information or intelligence.

c. A reconstituted Watch Committee containing an executive body for the daily joint, inter-agency discussion and correlation of indications which, together with adequate supporting personnel, prepares and maintains material for these discussions as well as preparing and disseminating resultant reports.

d. The authority for and means of speedy field checking or collection to supplement available information.

9. The collective intent of NSCIB #1, 3, and 15 is to make each member of the IAC responsible, within the field of his assigned primary interest, for the early recognition of a developing crisis situation. It may be

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inferred that a device for screening and evaluating all intelligence information and intelligence available to each member for this purpose is now functioning. The next logical step would be to assign staff personnel in each agency, as their sole responsibility, the task of analysis, review and study of indications information or intelligence. (CIA and Air Force at present are the only members known to have recognized the need for, and established, internal organizations with these responsibilities.)

10. The activation of an executive type body, with integral secretariat responsive to the needs of a Watch Committee of the IAC, requires action which embraces three separate, though related functional requirements;

Mission, Responsibilities and Authority;

Composition, duties and procedures;

Organizations and location.

A. Mission, Responsibilities and Authority

The mission of the IAC Watch Committee and executive body should be: "To collect, evaluate, analyze and conclusively consider all current and cumulative indications of any nation's intentions to take, or sponsor actions adversely affecting the security or ^{critical} interests of the US."

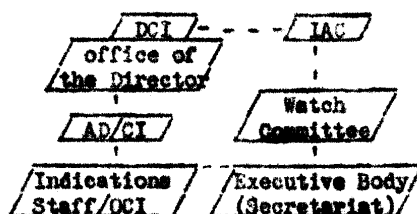
Its responsibilities should include, but not necessarily be limited to: the focusing of the attention of intelligence analysts on specific positive, or negative, political, cultural, sociological, military, naval, air, scientific, technological and economic indicators of intentions of foreign nations to take, or sponsor, acts inimical to US National interests; to constitute an effective mechanism for continuous daily inter-agency exchange of views on these subjects at working levels domestically and abroad; to produce and disseminate at an agreed frequency of no greater than 7 days, on an all-source basis, a national summary of significant developments, on a world-wide basis drawing therefrom and stating as an appendix, such conclusions of intent as may be justified; and to produce summaries

Para 1b
NSCID #3

(and evaluations thereof) based on developments as shown by information pertaining to "indicators". Where warranted such summaries should serve as a basis for the scheduling by CIA of coordinated National Intelligence Estimates.

In carrying out its mission and discharging its responsibilities, the executive body must be delegated as much of the DCI's authority under Para. 11, NSCID #1 as is necessary to call upon any US intelligence facility for support at any time, and insist upon priority consideration of its requirements.

B. Composition, Duties and Procedures



Watch Committee

The Watch Committee should be responsive to the Chairman of the IAC and include as its principal members:

- Chief, Intelligence Division, G-2 Dept of Army
- Deputy Director of Intelligence for Estimates
Directorate of Intelligence, HQ USAFE, Dept of Air Force
- Head, Intelligence Branch, Naval Intelligence Division
Office of Chief of Naval Operations, Dept of Navy
- Intelligence Staff Officer, Office of the Special
assistant-Intelligence, Dept of State
- Chairman Joint Intelligence Group JIC/JCS, Dept of
Defense
- Assistant Director/Current Intelligence, CIA
- An official of similar stature and having similar
responsibilities from the FBI
- An official of similar stature and having similar
responsibilities from the AEC.

Executive Body (Secretariat)

Competent, qualified and experienced personnel from CIA, each department of the military establishment, the Joint Intelligence Group (JCS), the Department of State, AEC and the FBI should collectively constitute the executive body. Because of its maturity, continuous and primary concern with indications intelligence, a four year back-up of cross-indexed indications intelligence, direct access to ORR, OSI, theater

watch staffs abroad, and extent clerical/graphic support, the Indications Staff of OCI should ^{contribute} ~~be considered as~~ a nucleus for the Executive body. Additional personnel detailed to the IAC executive body should:

- have such a detail as their sole duty
- be drawn from the "Indications Staffs" of each of the departments
- be physically located with the executive body while maintaining constant liaison with the staffs from which they were detailed
- have immediate access to the chiefs of their respective intelligence divisions
- be fully cleared and have access to such operational data as is necessary to fulfill their responsibilities on the executive body.

The chief of the executive body, who could be drawn from any IAC organization, should be an ex officio member of the Watch Committee.

The activities and procedures of the committee and its executive body should include, but not be limited to, the duties presently discharged and as additionally necessary to carry out their redefined mission and responsibilities; to revise, maintain and supervise the operation of a National Intelligence Plan for the provision of advance warning; to maintain a complete file of suitably cross indexed indications intelligence.

C. Organization and Location

The organization and membership of the reconstituted Watch Committee is sufficiently covered under Paragraph B above and since it has been proposed that the present indications staff of OCI ^{contribute} ~~constitute~~ a nucleus for the executive body, additional discussion of this facet of the indications machine is not necessary at this juncture.

The location of the executive body should be adjacent to the quarters of the Indications Staff/OCI and be known as the Indications Center--expanded as necessary to accommodate additional members and provide space for presentations and discussions--for obvious reasons, including the availability of 24-hour watch facilities, a fully competent requirements section, adequate communications facilities, current availability of all sensitive intelligence information, and nearness to the DCI.

CONCLUSIONS:

11. A reconstituted and reoriented Watch Committee, including an executive body, under the chairmanship of CIA is advisable.

12. The mission, responsibilities, functions, and reorganization proposed in the discussion above if implemented would more nearly discharge the Watch responsibilities of the DCI.

13. An adequately supported executive body with a nucleus contributed by the Indications Staff of OCI should be immediately pressed into service by the IAC.